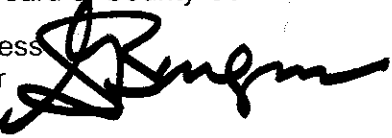


Memorandum



Date: September 20, 2006

To: Honorable Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Information for Second Budget Hearing

Attached are the recommended FY 2006-07 budget and millage ordinances for your consideration at the second budget hearing on September 20, 2006. These ordinances reflect the proposed millage rates approved on July 18, 2006 and at the first budget hearing on September 7, 2006. The ordinances also incorporate technical changes and adjustments, corrections of scrivener's errors, revisions resulting from Commission actions subsequent to the release of the Proposed Budget, and current estimates for grants and other revenues for agencies and departments, and recommendations to address issues and concerns expressed by the Board.

This year we continued our efforts throughout the budget process to involve you in the development of this document. Through numerous Committee meetings, briefings, and one-on-one meetings, we have worked together to ensure the resources available to us have been allocated in such a way as to address the critical needs of our community, strengthen our financial position into the future, and provide tax relief to property owners. We have made an effort to fully fund our priority activities by focusing our resources based on departmental business plans. Given the unprecedented and truly extraordinary growth we've experienced in our property tax roll, we have been able to enhance our reserves, address service deficiencies, improve targeted services and provide a tax rate reduction. These actions position us well for the coming years when the tax roll growth is likely to subside.

On September 18, 2006, Chairman Martinez presented a budget message for FY 2006-07, within which he included recommended budget adjustments to be considered. As discussed at the first hearing, I have met with each Commission office to discuss any concerns or issues you might have had regarding the budget. Some of these concerns and issues will require further adjustments for your consideration. Based on these discussions, I have developed the following recommendations. While we may not have been able to fully address all of the needs identified, I believe that we have prepared a plan that funds the majority of needs presented in a balanced manner, while allowing for further tax rate reduction.

To facilitate deliberations at your second budget hearing, it is recommended that the Board consider incorporating those portions of the Chairman's budget message that the Board supports. In particular, the Chairman is recommending the reduction of the Countywide millage by a total of 0.105 mills to 5.615 mills. If the Board accepts and supports the Chairman's recommendation regarding the tax rate, I suggest that the recommendation be amended into the proposed budget prior to the beginning of your budget deliberations at the second hearing. In addition to this recommendation, I am also providing to you a number of recommendations that will address the majority of your requests and concerns.

Revenue Budget Recommendations				
(Dollars in Thousands)				
	CW	UMSA	Proprietary /Other	Total
Revenue Adjustments				
Countywide Property Tax Millage Rate Reduction (0.105 mills)	(\$21,212)	\$0	\$0	(\$21,212)
Sales Tax	1,456	1,809	0	3,265
Carryover	1,440	1,830	0	3,270
Committed Surtax Carryover	0	0	24,991	24,991
Documentary Surtax Revenue	0	0	(2,000)	(2,000)
Miscellaneous Surtax Revenue	0	0	3,600	3,600
FPL Franchise Fee	0	1,800	0	1,800
Convention Development Tax Residuals	0	0	3,500	3,500
Tourist Development Tax Residuals	0	0	1,520	1,520
Total Revenue Adjustments	(\$18,316)	\$5,439	\$31,611	\$18,734
Expenditure Budget Recommendations				
(Dollars in Thousands)				
	CW	UMSA	Proprietary /Other	Total
Expenditure Adjustments				
Housing Agency - Surtax Programs	\$0	\$0	\$26,591	\$26,591
Housing Agency - Ward Towers Debt Service	245	0	0	245
CDBG Funding Replacement	3,237	0	0	3,237
CBOs and Programs to Address Violence in the Community	908	5,890	0	6,798
QNIP V Debt Service	0	2,668	0	2,668
UMSA Area Bus Stop Cleaning Program	0	1,100	0	1,100
Disabled and Elderly Shutter Program	200	0	0	200
Community Action Agency - Life Support Initiative Program	(350)	0	0	(350)
Sustainability Initiatives	35	0	0	35
Health, Safety, and Hurricane Readiness Expo	20	0	0	20
Human Services - Revolving Fund for the Mentally Ill	100	0	0	100
Fire Rescue - Community Emergency Response Team	50	0	0	50
Police - Special Response Team Vehicle	32	168	0	200
Police - Community and Neighborhood Policing	0	2,000	0	2,000
Conference of Metropolitan Transportation Officials	200	0	0	200
Park and Recreation - Programs and Projects	725	390	0	1,115
Historical Museum	(302)	0	302	0
Museum of Science	(277)	0	277	0
Miami Art Museum	(391)	0	391	0
Vizcaya	(250)	0	550	300
Cultural Programs Capital Grants	500	0	0	500
Cultural Facilities	0	0	3,500	3,500
Public Health Trust	(4,675)	0	0	(4,675)
Non-Departmental - Tax Equalization Reserve	(5,248)	(520)	0	(5,768)
Non-Departmental - Services and Capital Needs Reserve	0	(2,031)	0	(2,031)
Phase-in Elimination of Capital Working Fund	(1,694)	(726)	0	(2,420)
Wage Adjustments to be Absorbed by Departments	(1,694)	(560)	0	(2,254)
Capital Outlay Reserve - Prepayment of Existing Debt	(3,000)	(1,500)	0	(4,500)
Capital Outlay Reserve - Tree Canopy Enhancement	(1,000)	0	0	(1,000)
Capital Outlay Reserve - Sign Replacement Reduction	(1,000)	0	0	(1,000)
Capital Outlay Reserve - Furniture Replacement at SPCC	(1,960)	(840)	0	(2,800)
Capital Outlay Reserve - Technology Reserve Elimination	(1,400)	(600)	0	(2,000)
Recaptured CBO Carryover	(1,327)	0	0	(1,327)
Total Expenditure Adjustments	(\$18,316)	\$5,439	\$31,611	\$18,734

1. General Fund Recommendations

Pursuant to the Chairman's request in his September 18 Budget Message, a Countywide millage rate decrease of 0.105 mills is now recommended, in addition to the 0.07 mill reduction included in the original Proposed Budget and the 0.055 mill reduction proposed by the Chairman and adopted by the Board on July 18, bringing the total millage rate decrease to 0.23 mills. This most recent reduction to the tax rate will reduce Countywide property tax revenues by \$21.212 million for FY 2006-07. In total, \$45.667 million of property tax revenue will have been reduced relative to the property tax yield had the millage rate remained constant. The \$21.212 million tax savings along with the General Fund budget adjustments detailed in this section are recommended to be funded through a combination of additional revenue estimates and several adjustments to both Non-Departmental and Capital Outlay Reserve line items and the allocation of available tourist tax revenues to eligible general funded programs as specified in the table above.

As a result of reviewing the latest year-to-date revenue receipts and based on reports regarding unexpected increases in retail sales over the summer, we feel that the sales tax projections for FY 2005-06 will be more favorable than anticipated. Therefore, we recommend increasing budgeted carryover by \$3.27 million into FY 2006-07 to take into account this increase to our revenue projections, as well as increasing the budgeted sales tax estimates for FY 2006-07 (\$3.265 million). As detailed in the summary below these revenues are appropriately allocated between the Countywide and UMSA General Fund. In addition, we recommend that the UMSA General Fund's FPL Franchise Fee revenue estimate for FY 2006-07 be increased by \$1.8 million based on the most recent payment from FPL and on the effect of the FPL electrical rate increase. To fund these recommendations, \$2.031 million of the reserve for services and capital needs in the UMSA General Fund is allocated. At the First Budget Hearing, I recommended the cost of the negotiated wage adjustments be amended into General Fund departments. At this time, it is now recommended that \$2.254 million of these increases be absorbed by departments. This represents the value of 0.5 percentage point of the three percent cost-of-living adjustment allocation provided for departmental operations at the first budget hearing. It also recommended that elimination of the capital working fund be phased in over two years (\$2.42 million). It is also recommended that in addition to the maintenance of effort formula payment reduction of \$2.175 million, the additional funding allocated to the Public Health Trust beyond the formula be reduced by \$2.5 million. The chart below details these adjustments.

Should the Board choose to reduce the millage rate by only .05 mills, which would effectively use the growth experienced in the certified tax roll beyond the preliminary estimate used to develop the Proposed Budget, I would recommend reversing the wage adjustment reductions (\$1.694 million), restoring the enhancements for the tree canopy (\$1 million) and sign replacement (\$1 million), restoring the technology reserve (\$2 million), and adding back the funding for the replacement of obsolete systems furniture and other equipment in the Stephen P. Clark Center (\$2.8 million). At this rate, funding in the amount of \$3.047 million would be added back to support the Public Health Trust between the adjusted maintenance of effort calculation and a portion of the additional transfer initially recommended. I recommend the Board consider this option in order to preserve millage capacity for future years when tax roll growth is likely to subside and to avoid across-the-board reductions and other important one-time enhancements.

Wage Adjustment Reductions to Departments			
(Dollars in Thousands)			
<u>Department</u>	<u>CW</u>	<u>UMSA</u>	<u>Total</u>
Mayor	(14)	(6)	(20)
Board of County Commissioners	(53)	(23)	(76)
County Attorney	(88)	(38)	(126)
County Manager	(27)	(12)	(39)
Independent Review Panel	(3)	0	(3)
Juvenile Services	(37)	0	(37)
Medical Examiner	(36)	0	(36)
Consumer Services	(8)	0	(8)
Historic Preservation	(2)	0	(2)
Park & Recreation	(282)	(178)	(460)
Government Information Center	(35)	(1)	(36)
Planning & Zoning	(30)	(40)	(70)
Public Works	(127)	(26)	(153)
Team Metro	(36)	(46)	(82)
Community Action Agency	(34)	0	(34)
Community Relations	(10)	0	(10)
Countywide Healthcare Planning	(5)	0	(5)
Human Services	(206)	0	(206)
International Trade Consortium	(5)	0	(5)
Metro-Miami Action Plan	(6)	0	(6)
Task Force on Urban Economic Revitalization	(3)	0	(3)
Agenda Coordination	(4)	(2)	(6)
Americans with Disabilities Act Coordination	(3)	(1)	(4)
Audit & Management Services	(20)	(9)	(28)
Business Development	(27)	(12)	(38)
Capital Improvements	(11)	(5)	(16)
Commission on Ethics and Public Trust	(11)	0	(11)
Communications	(21)	(9)	(29)
Elections	(50)	0	(50)
Employee Relations	(43)	(19)	(62)
Enterprise Technology Services	(256)	(110)	(365)
Fair Employment Practices	(4)	(2)	(5)
Inspector General	(23)	0	(23)
Procurement Management	(33)	(14)	(47)
Property Appraisal	(119)	0	(119)
Strategic Business Management	(26)	(11)	(37)
Total	(\$1,694)	(\$560)	(\$2,254)

2. Housing

Local Subsidized Housing Assistance Program

As presented to the Board at the first budget hearing, I am working with the Miami-Dade Housing Agency (MDHA) Management Assistance Team (MAT) and MDHA staff to develop a local subsidized housing assistance program for low income households (household income at 30 percent of median income or below) that will permit eligible Miami-Dade County families currently on the MDHA waiting list (including the elderly and disabled) to move into public housing or a Section 8 unit. Recipients will be selected from the waiting list on a first-come first-served basis. The locally funded rental assistance program will supplement U.S. HUD's federal subsidy and will pay for security deposits, utility deposits including electricity, water, sewer and gas, and moving expenses for residents up to the maximum of \$2,500 per family. If expenses are less than \$2,500 or if the family is not responsible for utilities (pursuant to their lease), they will only be eligible for the amount to cover other allowable expenses. This program will be directed to applicants on the waiting list and not current public housing and Section 8 recipients.

Additionally, the FY 2006-07 budget for the Office of Community and Economic Development has funding of approximately \$29 million in HOME Investment Partnerships Program (HOME) funds for housing-related activities, including rental assistance, relocation assistance, homeownership rehabilitation, homeownership loans, and gap financing. These funds may be used for the development of affordable units for very low-income and low-income residents of which \$4 million may be used for the tenant-based subsidy program plus funding from the Countywide General Fund already allocated for this purpose (\$5 million) as matching funds. The combined total of \$9 million from the HOME program and the Countywide General Fund identified for this program can potentially support over 3,600 families. A final plan will be submitted to the Board for approval and we will ensure this program begins by December 1, 2006. If there are any changes to the tentative date of implementation, I will inform the Board. Funding earmarked for this program will be put into a reserve account separate from MDHA managed by the Finance Department.

Affordable Housing Programs

Regardless of the external factors that created the affordable housing crisis facing Miami-Dade County, we must carefully assess all of our County housing programs to determine what we can do to maximize the funding to support the development and lending communities to increase our affordable housing stock. By the end of FY 2005-06, it is projected that we will provide funding for 18,000 vouchers, 9,817 public housing units, 1,300 loans, and bring 391 new rental units and 202 owned housing units online through our various County housing programs. Although this is a good start, we must do more to help our residents.

In the original submission of the FY 2006-07 Proposed Budget, MDHA allocated \$101 million for the creation of affordable housing opportunities for our residents; however, due to additional anticipated carryover in the Documentary Stamp Surtax (Surtax) program and other miscellaneous funding adjustments, the final amount to be allocated for housing related initiatives in the County is \$128 million or approximately \$27 million more than what was originally budgeted. This includes \$112 million from Surtax and \$16 million from the State Housing Initiative Program (SHIP); these figures exclude funds set aside from Surtax and SHIP funds for program administration. This allocation of funds is anticipated to yield 300 homeownership loans, complete 200 single family rehabilitation loans, complete 45 window shutter loans, and leverage the construction of 3,300 new affordable rental units. After my

decision to transfer the Surtax program to the Finance Department, I directed staff to review all existing local, state, and federal funding sources that can be used toward getting families into housing. Beginning with the Surtax and SHIP programs, we are evaluating all options to expand our production and preservation of affordable housing units.

In FY 2005-06, MDHA received \$180 million through the voter approved Building Better Communities General Obligation Bond Program (BBC Bond Program). Of those funds, \$137 million is earmarked for the preservation of affordable housing units and the expansion of homeownership. Staff is working with the County Attorney's Office to develop a proper implementation plan for the use of these funds. It has been determined that BBC Bond Program proceeds can be used for the renovation of an acquired/existing building for rental or homeownership, construction of new rental or homeownership units, land, and building acquisitions. As a result, staff is evaluating properties that are currently on the market for sale. We would like to acquire these developments or become an equity partner as a means of preserving affordable units that would have otherwise been lost to the private market. HOME, Surtax, and SHIP funds are also being reviewed as a funding source for the purchase of affordable units.

In order to accurately reflect the FY 2006-07 Proposed Budget for the MDHA of \$360.449 million, a net increase of \$26.591 million from the original budget of \$333.858 million is necessary. The budget adjustment includes \$24.991 million in Surtax carryover and anticipated new revenue of \$3.7 million in loan and other repayments. Based on the State Department of Revenue's forecast, Surtax funding will decrease by \$2 million, which is a 12 percent decrease from a projected high of \$46 million in new revenue generated in FY 2005-06. Additionally, loan servicing fees revenue will be reduced by \$100,000.

The Metro-Miami Action Plan's FY 2006-07 Proposed Budget includes funding of \$8 million from the Documentary Stamp Surtax for housing-related activities including 410 homeownership loans for low- to moderate-income households and gap financing for the development of single family affordable units. As detailed in the next section, \$11.4 million of Community Development Block Grant funds will also be available for various eligible housing-related activities in the Miami-Dade Housing Agency. Appropriate legislation to amend the FY 2006 Action Plan and the FY 2007 Policy Paper to allow for this allocation will be presented to the Board for approval.

The Ward Towers Assisted Living Facility is pending close out. The cost estimate for the completion of the project is approximately \$2.6 million of which \$800,000 is for the final construction payment, \$900,000 is for disputed change orders, and \$900,000 is for the reduction in tax credits due to time delays. I recommend including the debt service required to generate the needed funds as part of our recommended debt issuance for Ward Towers in addition to the already budgeted \$4.8 million for public housing projects (\$245,000).

The Hope VI Scott/Carver Housing project has been updated to include the latest construction estimates. The total project cost is now \$150.277 million of which \$123.582 million is capital, \$11.962 million is in-kind donations, and \$14.733 million is shown in other departmental budgets. Additional funding of \$16.341 million will be provided in future years from financing proceeds backed by non-ad valorem general fund revenues.

3. Community Development Block Grant

At the First Budget Hearing, the Board approved a corrective action plan to address the County's over expenditure in the FY 2005 Community Development Block Grant (CDBG) Public Service category which includes a FY 2005-06 year-end amendment to replace the CDBG funds of \$2.4 million with funding from the Countywide General Fund. Additionally, to address the potential over expenditure in FY 2006, the Board also approved \$1.4 million for six months of continuation funding in FY 2006-07 for community-based organizations in other entitlement cities and \$2.8 million for the Alliance for Human Services Notice of Funding Availability (NoFA) process, to be appropriated in FY 2007-08.

At this point, because of the clarification we received from U.S. Department of Housing and Urban Development (U.S. HUD) last week, it will be necessary to redirect all CBOs to the Alliance process for 2007. Additionally, CDBG funds to County departments under the Public Services category will be replaced with Countywide General Fund for 2006 (\$1.05 million) and 2007 (\$1.548 million) as depicted in the table below. While this action will allow for better coordination of CBO allocations and monitoring, this will require General Fund support. Therefore, I am recommending (1) the allocation of an additional \$3.325 million from the countywide general fund to bridge these CBOs from the current allocations to July 2007 so that funded programs are not negatively impacted by the violation and, (2) additional funding in the current fiscal year of \$1.05 million be part of the FY 2005-06 year-end amendment to replace the CDBG funds with funding from the Countywide General Fund.

County Department Funding

Department	Programs		Amount
Community Action Agency	Youth Employment Training	\$	76,000
Empowerment Trust	Workforce Training Program		67,000
Empowerment Trust	Phicol Williams Community Center		90,000
Empowerment Trust	Friends of the Miami Drug Court		90,000
Greater Miami Service Corps	Employment and Training		100,000
Health Department	Immunization Program		64,000
Health Department	Rodent Control Program		205,000
Human Services	Homeless Assistance Program		42,000
Human Services	Substance Abuse Program		230,000
Human Services	Parenting Skills Program		134,000
Human Services	Emergency Shelter Program		235,000
Human Services	Senior Meals		98,000
Juvenile Services Department	Role Model Program		117,000
Total		\$	1,548,000

The recommendations from both the First and Second Change memoranda will resolve the problem of exceeding the public services cap as follows:

- 1) The amount allocated in excess of the cap for FY 2005 (\$2.4 million) has been remedied by recapturing FY 2006 allocations for eligible activities and replacing the County department CDBG funds;
- 2) The recapture reduces the amount allocated in excess of the adjusted cap for FY 2006 by \$2.4 million to a total of \$4.9 million;

- 3) In 2007, CDBG allocations to CBOs for public services activities will be discontinued and funding for County departments will be replaced and a payment will be made to reimburse our U.S. HUD Federal Line of Credit to remedy the remaining amount allocated in excess of the cap for FY 2006 with Countywide General Fund of \$4.725 million.

CDBG funding originally allocated to CBOs and County departments may be reprogrammed for eligible housing-related expenses in the Miami-Dade Housing Agency (MDHA) (\$11.5 million). However, this would result in CDBG allocations to County departments exceeding the Board's self-imposed policy of limiting such allocations to 30 percent of the total entitlement. Revisions to the FY 2007 Policy Paper to adjust the 30 percent cap will require Board for approval prior to the submission of the FY 2007 Action Plan.

It is important to note that if the issue of exceeding the Public Service cap is not corrected, the County will have to reimburse the entire amount to our Federal Line of Credit from non-federal funds by the amount that the Public Service cap has been exceeded. My staff and I will continue to work with you to ensure the fiscal impact to the County and funded agencies are mitigated to the greatest extent possible.

4. Solid Waste

I am sensitive to and understand the Chairman's concerns and his recommendation regarding Department of Solid Waste Management (DSWM) collection fees. Therefore, I asked staff to evaluate what a \$10 reduction means relative to the challenges put before us everyday, among them, improved bulky waste collection, illegal dumping enforcement and removal, and storm debris response. The proposed fee increase of \$50 included not only \$31 to maintain current solid waste collection system services, but also \$19 to address increased demand experienced through higher participation rates for curbside bulky and a need to reduce waste pick-up response times. During the summer months, response time can lag as many as 21 days from the time our customer schedules the pick-up to the day of the actual pick-up. The enhancement was intended to improve customer service and to reduce piles that can attract illegal dumping by reducing waste pick-up response time to a week or less through increasing the number of budgeted, fully equipped crews to 39 from 24.

A \$10 reduction to the recommended \$50 increase will leave \$9 for service enhancements. This would continue to provide sufficient resources for DSWM to enhance bulky waste operations by using \$6 to provide at least three more crews, fully equip existing crews and to potentially field when necessary as many as 30 crews when demand peaks. This enhancement requires 32 additional Trash Truck Driver and eight additional Waste Attendant positions. Ultimately, these resources should enable the 27 crews to operate more effectively and pick up more loads per day. We must continue to formally remind our customers not to wait until the brink of next year's hurricane season to trim trees and clean-out bulky trash, but rather, to access all of their bulky waste service options (including the Trash and Recycling Centers) well in advance of hurricane season to help reduce peak workloads during the summer.

As you are aware, I made recommendations at the First Budget Hearing regarding next steps for curbside recycling. County staff is diligently working on ensuring continuity of service. The amended, recommended waste fee of \$439 is projected to provide sufficient funding within the remaining \$3 to continue curbside recycling service. I note, however, that while the annual rise in collection and recycling costs may be slowed by efficiencies due to automated garbage collection over the next two years, the fiscal challenges to continue providing the same level of

service our residents have enjoyed for decades will not go away and future adjustments to the household waste fee or the level of service provided will be required in the coming years. We continue to evaluate all options for the DSWM menu of services working with the Infrastructure and Land Use Committee to set forth meaningful funding and service solutions as we work through the upcoming budget cycle.

5. Aviation

As was stated in the memorandum provided for the first budget hearing the Miami Airport Affairs Committee (MAAC) was still considering several fee changes in order to generate the revenue necessary to support the Aviation Department's adjusted budget. The MAAC has now recommended fee adjustments shown in the revised fee schedule as reflected in Attachment A

The FY 2006-07 Proposed Budget included a Promotional Fund allocation of \$25,000 for the USAfrica Air Transportation Summit. It is recommended that this allocation be increased to \$75,000 to encourage and promote greater levels of trade between MIA and Africa. The Promotional Fund total budget for FY 2006-07 will be \$209,000.

6. Seaport

At the first budget hearing recommendations for new tariffs for Seaport were provided. The tariffs assessed a \$0.64 per embarked and disembarked passenger (\$2.5 million) and \$3.57 per imported and exported twenty-foot equivalent container (excluding empties) (\$2.5 million) to generate \$5 million of revenue in FY 2006-07. This fee will be assessed for a one year period only, commencing October 1, 2006 and sunsetting September 30, 2007. It is anticipated new revenue sources will be instituted to replace this fee upon its expiration. Attachment B has been amended Consistent with these adjustments.

7. Beacon Council Agreement

The Beacon Council's Miami-Dade Marketing Initiative (MDMI) agreement currently reflects a payment schedule of \$1 million for FY 2005-06 and \$965,000 for FY 2006-07, for a total of \$1.965 million. The MDMI agreement commenced in 2000 through Resolution R-1019-00 and helps pay for the current campaign utilizing television, radio, and print media to promote a positive image of Miami-Dade County, showcasing its business assets and quality of life.

Because the MDMI will only utilize \$500,000 of the funding allocated in FY 2005-06, it is recommended that the payment schedule be adjusted to reflect \$500,000 in the current year and \$1.465 million in FY 2006-07, for a total of \$1.965 million. This will be accomplished by an amendment to the FY 2005-06 MDMI agreement with the Beacon Council, which will be executed administratively upon approval by the Board.

8. Community-based Organizations (CBOs) and Programs to Address Violence

The FY 2006-07 Proposed Budget includes funding for the Mom and Pop Grant program (\$1.950 million) and Elected Officials Discretionary Reserve Fund (\$4.2 million). Attachment C details the CBO funding recommendations through the many County-supported competitive processes and other allocations. In order to more appropriately recognize the neighborhood-type services provided by CBOs, the funding supporting District responsive allocations has been allocated between the Countywide and UMSA general funds based on population and the relative property tax rolls. The UMSA general fund budget has been adjusted to allocate \$5.124

million in support of CBOs and an equivalent amount has been reduced from the Countywide general fund. Payments made to CBOs for FY 2004-05 allocations carried forward to FY 2005-06 were misapplied in the projection used for the Proposed Budget. Correcting this error frees up \$1.327 million of funding that may be used for additional CBO allocations.

For the first budget hearing, I recommended additional funding for two contract monitors for the Department of Human Services (in addition to an enhancement of two contract monitors included in my Proposed Budget) and increased funding for an information technology application to allow for centralized collection of information regarding community-based organizations (\$500,000 more for a total of \$1 million). At this point, I recommend broadening the resources that will be dedicated to improving our CBO contract monitoring activities. I had tasked the Office of Strategic Business Management with the expedited development of the application. I now recommend adding additional resources in OSBM (\$100,000) with the responsibility of not only coordinating the centralized collection of information, but also developing contract monitoring standards across our organization. As it is important that contract monitors be subject matter experts, I believe that this oversight function can develop processes and procedures contract monitors may employ to more effectively monitor the use of County funds. Working closely with the Department of Audit and Management Services, OSBM will advance standard practices throughout the organization, employing best practices and partnering with other granting entities in our community to ensure consistent application of requirements.

As mentioned in Section 3, additional funding will be allocated to the Alliance for Human Services as a result of the redirection of CBOs away from the CDBG RFA process. The allocation process for the next Alliance funding cycle will be more District responsive and the Alliance will work closely with each Commission office to ensure that specific district needs are addressed. In order to handle the increased volume of solicitations and responses, an additional \$105,000 will be allocated for the Alliance for one full-time and one part-time position to provide administrative support. The County will provide in-kind services such as copy services and placing advertisements and public notices.

In the memorandum presented to the Board at the first budget hearing, allocations to certain CBOs were rescinded due to contract compliance issues. Subsequent to that meeting, representatives from Miami River of Life (\$30,000) have submitted the necessary paperwork, which is currently under review by the department. Therefore, this allocation should be reinstated.

As discussed at the first budget hearing, the Children's Trust has allocated \$3 million to fund programs that address youth violence in our community. It is recommended that the Board allocate \$1 million to match these funds and develop a community-wide violence intervention and prevention program. These funds will be placed in a reserve pending the development of an action plan for the use of these funds, which will be brought to the Board for approval.

It is recommended that \$330,000 be allocated for the implementation of a Telephone Reassurance Program provided by the Switchboard of Miami. When implemented, reassurance specialists will establish contact with the elderly to confirm their mental and physical well-being. Engaging the services of a private, non-profit organization with 38 years of experience in information and referral services provides the level of expertise required to respond to the needs of elderly residents.

At this time, it is recommended that the County Services Reserve be eliminated and the In-Kind Services Reserve be reinstated, utilizing the same allocation process as has been in place for the past three years. The In-Kind Services Reserve capacity is \$750,000, of which \$613,500 is set aside for special events on a countywide basis and \$136,500 for district specific events (divided equally among the members of the Board at \$10,500 per district).

9. Neighborhood Services

On a number of occasions, each of you has expressed the desire to continue the highly successful Quality Neighborhood Improvement Program (QNIP). Phase I of this project started in 1999 and funded \$144 million of improvements throughout our unincorporated area, followed by Phase II in 2002 with \$60 million, Phase III in 2003 with \$3.6 million, and Phase IV in 2004 with \$32.5 million for needed infrastructure improvements. To date, over \$177 million has been spent on parks, sidewalks, resurfacing, and drainage projects. An additional \$51 million has been issued to contractors for construction. To continue this program, I am recommending an allocation of \$2.668 million towards the first debt service payment for a new \$30 million multi-year QNIP Phase V program. Financing proceeds will be distributed to each Commission District based on population and developable square miles in the Unincorporated Municipal Service Area. Staff will work with each Commissioner to plan for your highest priority projects.

Litter remains a concern across all commission districts. One critical area of concern involves recurring litter problems at our bus stops. There are currently 3,520 bus stops in the Unincorporated Municipal Service Area (UMSA). Of those stops, 2,345 are occupied by one of the new bus shelters or by an existing bus bench. Both the existing bus shelter contract and the upcoming solicitation for bus benches require that the contractor provides trash bins and weekly litter removal service for those stops. At this time, the Department of Solid Waste Management (DSWM) currently removes litter from bins at 238 bus stops, most of which have benches. The responsibility for this activity at those bus benches will transfer to a new contractor for bus benches in the upcoming fiscal year. However, the majority of the remaining 1,175 bus stops in UMSA are not serviced at this time.

It is recommended that UMSA resources be provided to close the loop on this litter issue in UMSA by providing additional support to the DSWM to service these remaining bus stops. This will require a one time funding for the procurement and installation of litter bins (\$350,000 including an inventory for replacements). DSWM preliminarily estimates that it will require a minimum of four dedicated crews to routinely serve the bus stops on a twice a week basis due to distance factors and traffic. Also, dedicated crews are required since garbage routes currently servicing the 238 bus stops are being converted to automation. The crews will not only empty the bins, but will also remove litter in the immediate vicinity of the litter bin at the assigned bus stops. The recommended operating support in FY 2006-07 is \$1.06 million (\$265,000 per crew including disposal and equipment costs).

10. Community Action Agency

Hurricane Shutters Program

Since January 2002, the Community Action Agency (CAA) has installed 1,323 hurricane shutters for low-income elderly residents; an additional 95 hurricane shutters will be installed in FY 2005-06 and between 80 and 182 in FY 2006-07, depending on funding availability from FEMA. Funding sources have included FEMA, the State of Florida Residential Construction Mitigation Program (RCMP), and the general fund.

The State of Florida, in response to the efforts of our legislative delegation, and particularly Commissioner Sosa, has notified CAA of an increase to the RCMP funds for FY 2006-07 of \$200,000. Additionally, the department has been encouraged to apply for a grant from "My Safe Florida Home" program for hazard mitigation improvements, which include hurricane shutters. The current average cost per installation is \$5,714 for accordion shutters and the department has received over 400 applications. I am recommending an additional \$200,000 in general fund support for the hurricane shutters program to be used as matching funds for this program.

Life Support Initiative Program

Funding for the Life Support Initiative Program, which provides water and sewer payment assistance, included \$350,000 in both FY 2005-06 and FY 2006-07; however, expenditures are now averaging \$150,000 annually. It is therefore recommended that unallocated funding from FY 2005-06 (carryover) be used to fund FY 2006-07 program expenditures and that \$350,000 be recaptured in the general fund.

11. General Services Administration (GSA)

Miami-Dade County has implemented energy conservation initiatives like the deployment of a hybrid fuel fleet and the plan to design and build sustainable facilities that meet the U.S. Green Building Council common standards for "Green Construction." The County will benefit from these initiatives through an improved environment, energy savings, and a better quality of life. The Proposed Budget included a position in GSA to support sustainability issues for the County. To further expand conservation initiatives within Miami-Dade County government the appropriation of \$35,000 is recommended for membership and initial involvement in the Chicago Climate Exchange (CCE). Participation in CCE will allow the County to reap benefits through the exchange of gas emissions and futures products and improved efficiency through reductions in energy consumption.

12. Health, Safety, and Hurricane Readiness Expo

Last June, Commission Chairman Joe A. Martinez organized the 2nd annual Health, Safety, and Hurricane Readiness Expo. The success of the event was demonstrated by attracting over 2,000 attendees who benefited from free health tests and a wealth of information on hurricane safety, and nearly 100 organizations which donated their time and services. It is recommended that \$20,000 be provided to support this event in FY 2006-07.

13. Services for the Mentally III

Many of the people currently in our jails suffer some degree of mental illness. Upon release from jail, they may not have the resources to purchase medicines and behavioral health services they need to remain stable. Consequently, while they wait for restoration of their entitled benefits, they may continue to be subjected to arrest and detention. It is recommended that \$100,000 be allocated to establish the Jail Diversion: Gap Funding Pilot Project and that a revolving fund be established to pay for the possible gap in mental health services. Miami-Dade County will be the first community in the State of Florida to demonstrate this type of program.

The Neighborhood Assistance Bureau of the Miami-Dade Department of Human Resources will administer the program working with the County Criminal Mental Health Project of the Eleventh Judicial Circuit. Monthly assistance will be paid to eligible clients in accordance with the individual's anticipated entitlement. The fund will be replenished by the recipients once benefits are restored since benefits are retroactive to the date of application.

14. Miami-Dade Fire Rescue

As discussed in the memorandum to the Board for the first budget hearing, because the Fire Rescue district will no longer be absorbing the City of Hialeah Fire Department, resources are available for expansion of service within the existing district given projected service demands, the department will proceed to incorporate in its Five Year Plan the need of adding new services to Homestead and West Dade and other parts of the community and evaluate the fiscal impact.

The growth in the number of first response vehicles during the last three years combined with new growth projected over the next two years will necessitate additional space for MDFR heavy fleet maintenance. Since FY 2004, the department has deployed nine additional engines and four new rescue units, and the proposed budget includes four additional engines and two more rescues in FY 2007. MDFR had been pursuing expansion of its existing fleet maintenance shop but cannot do this due to the proximity of the facility to the Alexander Orr Water Treatment Plant and the surrounding well field. MDFR is now exploring the possibility of constructing an additional fleet shop on land currently owned by the department in Kendall or purchasing a facility in North Dade. The department has reserved approximately \$7 million in available bond funds to construct a new facility or renovate an existing building. Once options for relocating this activity have been developed, transition of maintenance of first response vehicles may be considered.

In the area of emergency response, it is recommended that funding be provided to the Fire Department for the Community Emergency Response Team (CERT) Program (\$50,000) to augment funding offered to the Department from the State Attorney's Office as a result of the settlement of the Value Jet airplane accident. The funding will allow the Department to provide training to 1,500 residents on emergency response for a registration fee of \$10. The program will include courses on basic emergency response, Fire Safety/Search and Rescue and Terrorism Awareness. The program will also include refresher courses for those already trained and equipment bags for the participants in addition to an annual CERT exercise where participants can practice what they have learned.

15. Miami-Dade Police Department

Special Response Team

To effectuate rescues in dangerous environments, it is recommended that funding be provided for the purchase of a new armored vehicle for the Special Response Team of the Police Department (\$200,000). The current armored vehicle does not have the capability to enter into an area that is under gunfire of high-powered weapons, limiting the officers' ability to enter the area should a rescue need to take place.

Community Policing

In order to increase the level of community policing in our neighborhoods, it is recommended that funding be provided to the Police Department (\$2 million) for initiatives that include community outreach to residences and businesses, bike patrols, partnerships with different community groups, and crime watches among other community focused activities. This funding will provide 35,752 police man-hours to respond to concerns voiced by communities within the police districts, providing the ability to solve problems together with community groups within our neighborhoods. It will also provide the Police Department the ability to conduct public safety and service type events in the community such as burglary prevention (etching of personal property), open houses, child and senior identification, and explorer operations.

16. Miami-Dade Transit

The 2007 National Meeting and Training Conference of the Conference of Minority Transportation Officials (COMTO) returns to our community in the upcoming fiscal year scheduled to be held from June 22 through June 27, 2007. This is an important conference drawing COMTO members and their families from most of the country. It is recommended the allocation of \$200,000 to provide direct financial support to the Conference; it is also recommended that the Board approve in-kind support to be provided by Miami-Dade Transit.

17. Miami River Dredging

In November 2005, the contractor for the Miami River dredging project temporarily demobilized due to lower than anticipated funding allocations from the Federal Government. Looking forward, it is not anticipated that annual federal funding allocations will reach levels sufficient to complete work on the Miami River Project prior to the April 2009 dredging contract expiration. The County is developing a plan by which the \$26 million Army Corps of Engineers funding shortfall could be mitigated to finish this project that is currently 40 percent complete. The County will be engaging the other non-Federal funding partners (City of Miami, State of Florida, and Florida Inland Navigation District), to develop viable joint-funding solution for this project. It is anticipated that a preliminary report on the progress of this plan will be presented to the Board in October 2006.

18. Park and Recreation

The FY 2006-07 Proposed Budget included an increase of \$5.585 million to the Capital Outlay Reserve (COR) for improvements throughout the park system. However, subsequent to the release of the Proposed Budget, additional needs have been identified. It is recommended that an allocation of \$350,000 be made to develop the Archeological Zone at the Dolphin Center

Special Taxing District making the area accessible to the public. These funds will be utilized for design and permitting, site grading, a protective soil cap, sod, fencing and gates, and signs. Also, \$275,000 is provided for the installation of a scoreboard and the replacement of the irrigation system at the West Little River Park and \$115,000 for the construction of a Tot-Lot and sodding of the area at the Country Club of Miami South Course. I am instructing the Park and Recreation Department Director to expedite the completion of this project.

The Noches Tropicales event at Tropical Park this past year was a great success, it is recommended that an additional \$75,000 of General Fund be allocated to the Park and Recreation Department to support this activity. With these funds the department will be able to host four Noches Tropicales events in FY 2006-07.

In addition, there is a desire to build a Skate Park in the West Kendall region, but a suitable facility has not been identified. I am directing the Park and Recreation Department Director to identify potential county-owned sites and advance a proposal for further Board consideration.

This November, the voters of Miami-Dade County will have an opportunity to decide how they want to see the area around the Miami Metrozoo developed. It is recommended that \$300,000 be allocated to conduct a public education campaign to provide residents with the information they will need to make an informed decision.

19. Cultural Programs

It is recommended that the funding provided from the general fund to the Historical Museum of Southern Florida (\$302,000), the Museum of Science (\$277,000), the Miami Art Museum (\$391,000), and Vizcaya (\$250,000) be replaced with Tourist Development Tax (TDT) funding set aside for facilities in the City of Miami. It is also recommended that an additional \$300,000 of TDT funding be allocated to Vizcaya to perform capital and operational enhancements including security system upgrades, replacement of drainage, and additional operating staff.

In the Proposed Budget I recommended an additional \$1.5 million for cultural programs from the general fund. At this point, it is recommended this funding be increased by \$500,000 for the Capital Acquisitions Grant program in order to help ensure that our community's cultural organizations have adequate facilities in which to perform. It is recommended that \$3 million of CDT funding be allocated to the New World Symphony for their planned teaching and performing facility and \$500,000 of CDT funding be allocated to the Seminole Theater to help match and augment other funding sources in support of that facility's expansion project.

There are many other major projects vying for additional tourist tax funding including the Marlins' Baseball Stadium, additional funding for the New World Symphony Hall, the Miami Beach Theater of the Performing Arts, and the Miami Beach Convention Center. I will be providing a proposal for funding allocations to these projects, once potential plans have been further developed.